

BENCHMARKING STUDY BASED ON CRITICAL SUCCESS FACTORS FOR HOUSEHOLD, OFFICE AND KITCHEN CABINET WOOD FURNITURE INDUSTRIES IN THE UNITED STATES

Henry Quesada and Rado Gazo[†]

This research focuses on defining a benchmarking methodology based on critical success factors and key business processes for household, office and kitchen cabinet wood manufacturers in the US. The results of this research aim to help those that need to refocus and determine new strategic goals to remain competitive. The first part of this study consisted of researching performance of wood furniture manufacturers by looking at companies' publicly available financial reports, stock reports and other sources of information. The objective of this first part was to identify critical success factors for this industry sector and compare US furniture manufacturers' performance against world top-class manufacturers. A statistical test with a 95% confidence level was defined to either reject or accept that US furniture wood manufacturers have the same level of performance than world top-class manufacturers. The second part consisted of visiting selected furniture manufacturing plants in Indiana with the objective of identify critical success factors, key performance metrics used to measure these factors' performance, and best manufacturing practices. Only manufacturing plants ranking 300th or better according to the January 2003's FDM 300 publication were invited to participate. Twenty Indiana manufacturing plants were contacted and four accepted to participate in the study. Results of the first part showed that customer satisfaction, price, innovation and shareholder satisfaction are among the main critical success factors defined by these manufacturers. When US furniture manufacturers' performance was compared with world class manufacturer's performance, the statistical test revealed that US wood furniture manufacturers' performance underachieve in the majority of the key selected performance measures. Results of the second part will not be released until next year.

[†]Henry Quesada, Research Assistant, Wood Products-Industrial Engineering, Purdue University, Department of Forestry and Natural Resources, Forest Products Building 175 Marsteller Street, West Lafayette, IN 47907-2033 USA Phone (765)-496-6127 Fax (765)-496-1344 E-mail <mailto:hquesada@fnr.purdue.edu>.